# SECRET

C.O.R. 47

### INTELLIGENCE & SECURITY DEPT.

1954-1956 79/400/06 FILE PERIOD PART FILE NUMBER FILE TITLE ISD RELATIONS WITH THE AND CULTURAL 116/61/01 BLOC - GENERAL SECURITY CLOSED INDEX HEADINGS UNTIL United Kingatom Soviet Union 338 556167 6993 10/55 2,000 MP G699

FED 421/638/01 - Establishment of U.S.S.P. Trade Agency in Singapore

FED 421/632/01 - Establishment of a Grain Trading Agency
for U.S.S.R. in Hong Kong.

FED /AY.9 - Application By Czech Antassy For Von On

Betalf of hudvik Camelik

13D 222/01 - Trade a Cultural Relations with the Soviet

(1960-62)

Bloc-Geneval Security Aspects.

CROSS REFERENCED UNDER:—

XR Visits and Tomo

XR Hong Mong

YR Singapore

(Non.) Anglo-Soviet Cultural Relations.

Soviet deaders - visit to the United Knighton

" Passports - Security Control-Effect of Onglo-Soviet

Declaration On Cultural Relations + Passible others

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I should also like to record in this minute rather than in the draft note itself the additional points which at my request Mr. Osborne added to his own section of the paper. These points concern the recent British-Soviet statement. This statement said, inter alia: "the Heads of Government of the Uk and the USSR .... favour the increase of exchanges between artistic, technical, scientific and sporting organisations on a reciprocal basis .... and the exchange of suitable qualified students to study at the universities in each country ... With a view to improving the mutual understanding which it is the object of these exchanges to promote they agree to provide every opportunity for the peoples of the UK and the Soviet Union to learn about each other's opinions and ways of life. To that end they will take practical steps directed towards ensuring a freer exchange of information by the spoken and written word".

X

X

X

M.G. Smith 2 May 1956

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X

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Jo In para. 2 of Mr. Smith's minute, he raises the large question of whether the recent Anglo-Soviet policy statement does in effect mean that we are to encourage e.g. Colonial students to go to Iron Curtain countries and towelcome students from those countries to the Colonies. I will extract to a separate file (?) with a view to asking the Foreign Office if they would please elucidate the position. It is difficult to estimate which would do more harm to the Colonies.

C.J.J.T. Barton
3 May 1956

The Bet a full Why of the White Paper combaining the the forest for the State ment, put on a pt Williament 1956 — Coloneer A-S- Phatement 1956 — Coloneer Holm. UB 4.5

1 Land. 9753

april 1956

Mr. Watson Mr. Carstairs

Reference the sidelined portion of the Anglo-Soviet statement and its appendix: Unless I am very much mistaken what is said applies to all who are citizens of the UK and the Colonies. Much could be written of the subversive probabilities if a literal interpretation is to be given to what is said. There would be, so I think, e.g. no bar to as many students as wished going from, say, Nigeria to Moscow University and, vice versa, to Ibadan, and many other possibilities will occur to you.

The appendix to the White Paper seems to me to be pre-emminently a matter for consideration by the Brook Committee; as it stands it does, I think, break down nearly all our defences.

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Shift " for Truck + Eurobies 8 May 1956

Litab 5 here been

Mr. Carstairs.

I do not suppose that those responsible for drafting the appendix to the White Paper at (1) ever thought that it might apply to anyone except citizens of the United Kingdom. They certainly ought however to have realised its possible implications for the Colonies; and, quite apart from the legal point that "citizens of the United Kingdom and the Colonies" are one category in United Kingdom law, this declaration is likely to cause us a good deal of embarrassment from the standpoint of countering communist influence in the Colonies.

The whole principle endorsed in the declaration of freely meeting together and exchanging visits of course runs counter to the policies which we and Colonial Governments are pursuing. This declaration could clearly be used by the Russians to protest against the kind of legislation or administrative action frequently taken by Colonial Governments, with the Secretary of State's full endorsement, to prevent the importation of communist literature, to withhold passport facilities from students and others wishing to travel behind the Iron Curtain or to attend "front" conferences, and generally to do everything possible to prevent individual contacts between people from the Colonies and those concerned with spreading communist doctrine.

The declaration of course poses the particular problem in dealing with Colonial students in the United Kingdom itself. We are already at some disadvantage in this matter because the United Kingdom passport

control does not enable us to take so strict a line with Colonial students in the United Kingdom as their own Governments would be prepared to do were they in their own territory. If visits by student bodies to Russia are in fact to be encouraged and sponsored under this declaration, it will be practically impossible to cutout Colonial students attending U.K. institutions from these parties; is not a long step from this to seeing the whole policy of the Colonial Government concerned being called into question.

I am not sure whether, as Mr. Barton suggests, it would be best to put this matter to the Brook Committee, at least at this stage. I would suggest however that we should write to the Foreign Office, drawing their attention to the serious implications of this declaration from the Colonial standpoint, and indicating quite firmly that, because of the vital need to maintain our defences against communist infiltration in the Colonial territories, and the impossibility of applying in those territories the same kind of considerations which are valid for the United Kingdom, we shall have to insist on standing firm on our present policies, whatever difficulties may arise as a result of the declaration, and whatever embarrassment any attempt by the communist bloc to apply the declaration in the Colonial context may cause.

If you agree with this, I will have a draft prepared accordingly. When we have seen the draft perhaps we might consider circulating a copy of the letter to the Brook Committee for information after it has gone to the Foreign Office.

29th May, 1956.

Jaquer that on the ferce of it this dellaration dues aut implicate Colonies Pl. haue a dreift prepared as you sugget luyself & Mr. Dean), pr submission lotherjher autkurig.

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Son T. Hongo.

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That the Statement at (1) has purible

implication for the Coloredes which run

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out this implications, and to think ain to.

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(420/6/36

### Sir T. Lloyd

I thought it as well before sending these papers forward to ask the Private Office to look up any Ministerial papers they might have bearing on this subject, as I thought it possible that the draft of the White Paper about the Soviet visit (or at any rate the Joint Declaration on the further development of contacts between the United Kingdom and the U.S.S.R.) might have been approved in Cabinet. Such papers as we have been able to find seem to indicate, however, that the draft of the Appendix was negotiated between the Foreign Office and Members of the Soviet team without reference to anybody. Some of the earlier drafts would have been much more damaging, but we can rest upon the text as finally agreed and published.

I have not at this stage troubled the Legal Advisers on this, though there is the obvious point that, in law, citizens of the United Kingdom and Colonies are a single nationality and I suppose it might be held that reference to "United Kingdom citizens" could be interpreted as including Colonials. However, I do not think that it is the strict legal interpretation that really matters here. The very existence of the document is embarrassing from the point of view of Colonial policy because, even if it does not actually apply to the Colonies, it can be used in propaganda against us when it is discovered that we do not intend in fact to regard it as applying to the Colonies. On the other hand, I do not think we ought to exaggerate the dangers. I would not myself go so far as Mr. Barton in saying that, as the White Paper stands, "it breaks down nearly all our defences. I agree, however, that we should take the matter up with the Foreign Office, and the attached draft seems to me to put the matter in the right perspective.

25th June, 1956

This wie par propers have to be this this the Fo. uph. J. More 27 can

Sem Hank Son.
29.6.

22/2 Lean F.o. 28.6.56.

3. Sir M. Brook - copy of (2) 5 Jeans - 28.6.56

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between the two eides, each of which took its own notes of the discussions She She Good enigh, for what it is write — the Russias in dulk Vool their amounte of X a p. 2

ह्य (4)! M Manyhon bree: 5th Combanie on elien for leave (28/8). orlieum purl. WW 13/ = arner Mun 14/9 . In Redsall Then Mrs will show gon how matter aring out 3 para 2 of the Apr to to com be duell with - Lue para 3 46. Musica Bantin 7000 Seen Wands. Jéchaemell, 20/8 Resident ste minte 13/8.

Sir J. Martin

Sir John Macpherson.

Please see the letter at (2) on this file, which raises with the Foreign Office certain possible implications of the statement on the discussions with Messrs. Khrushchev and Bulganin (CMD. 9753), of which a copy is at (1).

It seemed to us that the phrasing of certain parts of that statement, notably the last paragraph of the statement itself on cultural contacts, and the Joint Declaration appended to the paper, might traverse a good deal of what we are trying to do, and what we are continually being exhorted by other Departments to do, to insulate Colonies from Soviet and communist machinations. You will see that when authorising that letter Sir T. Lloyd in his minute of the 27th June expressed the view that when the Foreign Office reply was received this matter would probably have to go to Ministers.

x ie. (2)

We now have at (5) a reply from the Foreign Office. I agree with the preceding minutes that this reply is cold comfort and particularly when read in conjunction with the unpublished) record of the discussions themselves, of which relevant extracts are registered at (4). It will be seen from those extracts, particularly from the passage at the top of page 2, that the idea of cultural exchanges seems to have been closely connected with the idea that the Soviet view of our colonial achievements would be modified for the better if they could go and see for themselves. It is true that this idea is not explicitly reflected in the published document, but the Soviet delegation no doubt took their own notes, and the point will not have escaped them should they think it worth while to use these exchanges as a lever for extending their meddlings in colonial territories. I find the record at (4) a little disquieting in other respects, notably in the implication that the best thing about our Colonial record is the speed at which we "release" Colonies from a state of dependence.

There is nothing, I think, to be done about this for the present, but I think that the implications of this whole matter sufficiently important, and to some extent disquieting, to warrant placing the papers before Ministers for their information at this stage.

A

La local trimistes

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As regards paragraph 4 of Mr. Dean's letter at (5), there is certainly nothing in the published declaration to lead us to desist from our efforts to limit Colonial contacts with the Soviet bloc as far as we possibly can, although we might not find it entirely plain sailing if, for example, some Colonial Government were to seize upon the appendix to (1) as a basis for contacts with the Soviet Union, the prefront for which has been so strongly set by the activities of many newly independent non-European countries, and indeed by the considerable increase in cultural contacts between the U.S.S.R. and the U.K. itself.

Cy Gernaus 29th August, 1956.

### Sir John Macpherson

It comes as a shock to discover that the Joint Declaration on cultural and other contacts which fortunately on the face of it relates to the United Kingdom) emerged from the Colonial context.

Ministers should see the summary record of the discussions in (4), with the correspondence at (2) and (5); but I agree that there is nothing to be done about all this now.

? Put by.

as at A in 12 Carstains's unimulé

1.M.M.

31.8.56

Lord Lloys Amisling State

To see - as above. Golly! Da 19 (58

Golly indus! be hund obvaining the continue our present policy of hope the Russian will not refer to this tenz unfuturate unpvalui.

We ship to the F.O viter pretation at 5 and let nothing shake w

Copy of this minute on related tiles

Mr. Newsam Mr. Emmanuel Mr. Watson

On the attached files, FED 421/632/01 is correspondence with the Board of Trade about the establishment by the Russian Government of a W/O Export Khleb (grain trading) Agency in Hong Kong; FED 421/638/01 is ditto of the V/O Razno Import (general trading (?) but particularly rubber); and on FED/AY.9 is a visa application which means the establishment of the Czechoslovak Chemapol (general trading, but particularly rubber).

At (1) here is the text of the April statement on the Anglo-Russian Discussions affecting trade, page 5 deals with trade.

We took up this statement with the Foreign Office insofar as it affected Colonies and Communist infiltration on the political-cultural side. The Foreign Office reply is at (5) and for the purpose of this minute it is sufficient to say that the whole of the White Paper at (1) applies only to the UK and the USSR.

- There is no need for me to elaborate the certainty that these proposed delegations would also be spy centres see the welcome Foreign Office letter at (2) on FED 421/638/01. It is also certain that they would not be restricted to a few members but would grow to an immense size, particularly when the Russians and Czechs realised the extent of American interests and representation. It is certain, too, that both would set up, or increase, their Consulates and that following the American model (in Hong Kong there are over 100 in the US Consulate) they would be large. With these examples to follow we would soon have the Chinese, the Poles and other satellites joining in the fun - for bear gardens these two great international ports would become.
- Apart from these considerations there are the two clear Ministerial directions of 4th September and 5th September on this file, i.e. that we stick to (5).
- I have put this in red because it is, I think, fairly clear that the Russians have got the Board of Trade on the run and there is clearly a need for an end to be put to it.
- I suggest that all we need say to the Board of Trade is "no", and that we do not enter into any argument with them about the White Paper. We could say that we are satisfied in saying "no" that we have the Foreign Office's support. I do not think we should correspond with the Russians ourselves.
- I do not agree with the drafts on the files cited.

6 September 1956

Auxon Backs

The Russian do not affect the cities the church of the format the trus preparate are concerned 2 do and see that the to cole telps as in any way to turn John

That is really going further the Foldler, further War the Foldler, which relates particular to the Dellaration on Cultural e suis voulocts,

Re the grain-trading agency for Hory Kong (FEP 421/632/01 behind), I agree that the answer should be in the negative for the Bouton's the reasons given in pana. 3 of Mr. Bouton's minte above. 2. I am not sure however that a bare "no" would be a fair reply to the Bott, which will very probably think it necessary to give the Kussians a plansible or at loast face-saving reason for rejecting the request. To produce such a reason, relevant to the our paincular conditions in Hong Kong, we should need to consult-the 0.14. 9., and for that, purpose I think Mat action on the lines of the two deafts on FEO 421/632/01 would be Suitable.

Kahren 7/9/56

I think we must comment local governments on these applications, as proposed in FED 421/638/01 to FED AY9, but that we should writtent delay give them early quidance on the general attitude to bake a three requests some of which our clearly being made direct locally 2 without reference to us - see FED AY9.

Reserve

7/9.

X(with Fo. support)

The fact was the Come Paper dues not specifically apply to Who! does not keep un a Call, suive hu huss, 'ans are læging tims ba pneely lédunicas hade haben, w. hunt musting the White Paper. La lins ream me the certainly have to find some purely hade beam for rejecting liven rejuert strongh J can see come If willy as regards sugapore, in view of the Cocal unterest un outre muchanting ni morum the see wantever i card lo s'pore on lins pourt. Subject the comment in my unmity on 7ED 421/632/01 5 après le tire d'et on trac

Mr. Johnston. on hum.

Mr. Marnham.

Mr. Monson.

Mr. Carstairs.

In minutes from Mr. Barton's of the 6th September, I.S. Department has sought to draw together on this file, for consideration of the general issue involved, the three following matters which have recently come separately to notice:-

- (a) An application by the Soviet Trade Delegation in London to the President of the Board of Trade to establish a grain trading agency in Hong Kong [FED. 421/632/01].
- (b) A similar request through the same channel to establish a trading agency in Singapore, particularly for trading in rubber FED. 421/638/017.
- (c) A visa application, which involves the establishment of a branch of a Czechoslovakian trading agency in Singapore [FED/AY. 97.

All this is clearly part and parcel of the Soviet bloc's economic drive, and in the light of what we know about

that drive, it is not surprising to find the business building up in this way. We must obviously decide our general line.

With reference to the first sentence of Mr. Emanuel's minute above, action was pursued on this file, not because the White Paper at (1) and the Foreign Office letter at (5) gave us any real help in dealing with these particular questions, but because this file contains Ministerial directions of the 4th and 5th September to the effect that we should maintain our policy of limiting Colonial contacts with the Soviet bloc as far as we possibly can. It is certainly my advice, in the light of these general directives, that we should seek to secure that these particular requests should be refused. In the territories of Singapore and Hong Kong in particular where we face the most serious subversive threat to be found in any of our territories, it seems quite ridiculous to afford the Soviet bloc the opportunities for political infiltration, espionage, and subversive work which trading agencies could and undoubtedly would be used to exploit.

If it is agreed that this should be our line (and it will no doubt be felt that the matter should be submitted to Ministers here for decision), I suggest that the procedure should be to inform the Foreign Office and the Board of Trade that this is the way and that, subject to anything which they may wish to say, we propose to inform the Governments of Singapore and Hong Kong accordingly and ascertain whether they agree. If they do so, we shall expect Foreign Office and Board of Trade support in rejecting the requests and in devising, if necessary, a plausible pretext for doing so. I think we can handle this in the Far Eastern context only for the moment; but when we have got as far as writing to the Singapore and Hong Kong Governments we should also consider whether warning and guidance should not be sent to other Governments in other areas as well.

had

10th September, 1956.

I age stronghat with the battom & think that the Medville should see when he returns from leave in a day or so (exact date unknown). This shows, however, the loophole we will leave when we agree; as a result of the west constitutional Conferment to delegate to singapore Mainisters responsibility for trade matters.

Rewaran

I also gree with his balson

Runda

I agree that Ministers should see the pattern of Russian penetration that is emerging.

They should be aware, however, that interference with the Russian plans for Singapore may very well lead to strong political reactions both in Singapore and the Federation if it attracts any publicity.

The reactions would have little economic force, since the Russians will buy the rubber they want anyway through London or elsewhere, and there will be no depressing effect on the world rubber price. They are also likely to give preference to the high-grade sheets which they find mainly in Malaya (China has prior option on Ceylon production).

But Malayan 'public opinion' (sic) has worked itself into a high degree of irrationality over the U.K.'s rubber buying policy (more particularly on access to synthetic rubber); the Federation Government, while admitting the irrationality of their public opinion, hasn't the "guts" to try and educate their public; and Tunku Abdul Rahman has taken a lot of kudos for his part in opening the rubber trade to China (though little or none has gone) and for this reason is likely to resist the placing of obstacles in the way of Russian trade.

I would suggest that any approach to the Board of Trade as suggested by Mr. Watson should be at a high level. Since Sir Frank Lee is ill, the Secretary of State may think it worthwhile to write to the President himself.

If we adopt the tactics of putting the Russians off by "plausible excuses" I hope that the Board of Trade will consult us in concocting them. Their efforts on FED 421/638/01 seem almost as embarrassing politically as downright refusal.

(Incidentally, I suppose it is realised that though the Russians have bought their rubber in recent years on the London market, they ship the purchases from Malaya. They have the commercial reputation of seeing that they get value for their money and I believe insist on pretty rigorous inspection of cargoes of rubber before loading. If this is so (and Malaya gould be asked to confirm) there are probably a good many Russian "experts" already drifting in and out of Malaya even if they haven t a permanent base there).

12. 9. 56.

Mr. Melville.

Please see minutes beginning with Mr. Barton's of the 6th of September, and the three Far Eastern Department files referred to therein.

We must do everything we effectively can to limit the opportunities for Communist subversion in Far Eastern as in other Dependencies, and there

is no doubt that the establishment of these trading agencies would present the Russians and Czechs with added opportunities for mischievous activities, whether or not it can be definitively established that that is one of the motives for seeking their creation. We would plainly like to see these proposals abandoned, provided always that in seeking to achieve that result we do not raise up for ourselves problems more serious than those we seek to avert.

MOVE WILLIAM

Alound the second

n longitud

The Hong Kong proposal is I think the simplest. If we were (after consultation with the Governor) to refuse our agreement to the establishment of the post there, I do not think that we need expect local repercussions of any importance. The case of Singapore is however different, in that if we were to refuse concurrence, I think it most probable that the Russians (and the Czechs) might make this fact known locally and bring about local protests that H.M.G. were seeking to adopt a dog in the manger attitude and to stifle opportunities for legitimate trade. The rate of political advance being what it is, it would be no long time before decisions on this matter would substantially be for the local authorities, and all we should have succeeded in doing, if we succeeded so far, might be to secure a postponement of the creation of these posts and to lead to their eventual establishment in circumstances which made them appear an early manifestation of local freedom of action. In the circumstances, I agree with the line of action proposed by Mr. Monson, that is to say that the Secretary of State be advised to write to the President of the Board of Trade (copy to the Foreign Secretary) saying that he views with great concern the proposal to establish these Iron Curtain outposts in Singapore and Hong Kong, that he proposes to consult Governors about it and, that he hopes that if, after consultation with the Governors concerned, it is agreed that these proposals should be resisted, the Board of Trade and the Foreign Office will be able to stand up to the Russians (and Czechs) and sustain a refusal to accord the facilities sought.

Wentais

13th September, 1956.

This awaited my return.

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Hauft leller for flux and Barton

M. Caustaire

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What upe to murate from top Reven.

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I agree with the line it is proposed to take and with the terms of the draft, except that I am not sure about the inclusion of paragraph 2, in which we cite the Foreign Office on the interpretation of the Statement on the Anglo-Soviet discussions in April. The Statement does not seem to have been invoked in the previous correspondence in any case the section on page 5 regarding "development of Anglo-Soviet trade relations" clearly relates to the United Kingdom and the Foreign Office would no doubt agree that it should not be taken as applying to the Colonies, but the words borrowed from their letter at (5) related there halfield the "Joint Declaration" in the appendix on the subject of cultural and other contacts. The draft would lose nothing by omission of this paragraph.

If the letter from the Board of Trade to Mr. Kamensky in (3) on FED.421/638/01 were ever to be published, it might have an unfortunate political effect in Singapore.

1 mm. 25.9.56

I agree in general

I don't feel strongly about his hoint at x

above, hongh on his whole I havink it

may be as well a to frestale any

alternoon by the B/T 15 quote lie

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I'd leave it in

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already coming in for criticism from

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- though not perhaps our relations with hie

which I have Tisched.

I gree & Dragh aus 27/2.

Sin J. Marpherson Please see the S. If S.'s letter

Hosite. Want 5 28/9 Jean-liant 5 29/9 29/9/156

1 to F.O. w/comps (6) searet 28.9.56.

1 To F.O. w/comps (6) searet 28.9.56.

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abjection to the 'No on bong kong being held up until the No on Spore could who he firm. This W. have to wait a little because the Luminus has been worked for detril of what they proposed in Sipone, & we could not Son any living more to them until they had typlies. Desplanted Try Guarance of la subject but 2 in prima facie 2 saw ho obje to har shy has the regul on brong kong. Apparents this was to some up before the Ruma atte today, so it might be water Checking what went on. Pulayor to my comed to back to Mr Bailon to this.

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Bfu V. de. G. reils not yes reconst htts 24/10. 11 Thorny crost Bof Trade - Secret - 22.10.56. ? Mi 1/4/hie at Al. Many FED 421/638/01 be on Fed 421/632/07. MS 30/w J 150 421/638/9/ wanted by Mr. Jakkson PMD. seen Must your hu Engeniel. Am aprison. You will with to free Mrs from 6 m mads. Mysin Ban & 1. 11. 4 Recore V Rangomas 2015 4/10 The Mason to see There alredy Knowe Seen This - see Wallan

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Your min. 7 14/4 on E&D 90/220/04 attacked.

At yesterday's weeting of the Economic Intelligence

Group at which the paper at (170) on ED 90/220/04

containing a reference to these proposals was

discussed I said:

(a) that U.K. Ministro had considered the proposals, and that the foots. concerned were being consulted (I am afried that I am not clear from the files wheaten exactly how their stands, but I take it that as we now have the Russian uply referred to at 'X' (I) and as we promised to freeter communications at X' (10), consideration will now be given to sending those communications)

(b) that the fact as report in the EU paper was not quito accurate; R. of T. rep. confirmed this, and an amendment will be made.

9 std. be gratiful if 9 cd. see then

pp. again before the west weeting ?

Els on the 20° December, so this will

probably come up again.

Phillotto

A/ hu lour hur Mu Kitcett Could Ion, Kaax, refer me to the husrien replicibants Al- end. (6) on FED 421/638/07. How the drugh to All, history (10). The have to more Explanatory will have to be more Explanatory MB ZH > hu, Barton ? as in 2 offer 4/w. Mattweel 22/1/66 12 Horghang son 1919 Seerel 14.11.84 hu. Barton To view of (12) I have added Som amended off both Kong. 3 defte hour Jwathwell 25/1,

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13 To Singapore - saw 1486 - secret + quard — 28 11 56

14 To Halaya - saw 2793 - secret + quard — 28.11.56

15 To Hong Mong - saw 1981 - secret + quard — 28.11.56

Mr. eviewaled to your

Mr. Newsam

Mr. Ashtan.

Mr. Barton.

9 shd. like to tell EIG He ?

this development, so that they can follow up

para. 4 9 end. (179 in their November

report. 8 wd. propose to do so, if you

agree, by souding copies 9 (13), (4) and

(15) 15 Th. Jodd 9 Min/Def (J. 1. B.).

Hy Subject to your orewo, 3 down whether

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(now transferred to 150 222/01)

7th December, 1956.

ISD 116/61/01

SECRET

Dear Todd,

Would you kindly refer to item 4 of EIG(56)23?

There were further developments in this matter during November as you will see from the enclosed copies of communications to the Governors of Singapore and Hong Kong and the High Commissioner for the Federation of Malaya.

Despite the "Guard" classification, there seems no objection to your including this particular item of information in the November report, the word "Guard" being, of course, removed. If you agree will you, please, do so.

Y.S.

AlP.J. Kitcatt)

### ISD 116/61/01 (TS)

To the Officer Administering the Government of HONG KONG

Date 28 November, 1956.

No. 1981 Saving SECRET AND GUARI

Your secret and guard savingram No.1919 of the 14th November.

## Establishment of U.S.S.R. Trade Agencies in Hong Kong and Singapore

The President of the Board of Trade and the Foreign Secretary share my concern regarding the Russian proposals and agree that neither of these agencies could be expected to engage in activities which would be in any way advantageous to trade. From past experience, they would in all probability be used as cover organisations for the furtherance of Communist penetration and subversive activities.

- It has been agreed, and I am assuming you concur, that the proposals should be rejected on whatever appear to be the most appropriate grounds.
- 3. I have written similarly to the Governor of Singapore, and the High Commissioner for the Federation of Malaya has been informed.

SECER.

Saving

From the Secretary of State for the Colonies.

HIGH COMMISSIONER,
To the Officer Administering the Government of EDERATION OF MALAYA.

Date 28 November, 1956.

No. 2793 Saving SECRET AND GUARD

Establishment of USSR Trade Agencies in Hong Kong and Singapore.

Applications have been made to the Board of Trade for the "re-establishment" by the Russian Government of a branch of Vsesojuznoje Objedinenie Export-Khleb, seemingly a grain trading agency, in Hong Kong, and of a Vseojuznoje Objedinenie Razno import agency in Singapore, which seems to have as its object general trade, but particularly trade in rubber.

- 2. The Czechoslovak Embassy has also approached the Board of Trade in the matter of a long term visa for a Mr. L. Chmelik as the trade representative in Singapore of their Foreign Trade Corporation, Chemapol.
- 3. The President of the Board of Trade and the Foreign Secretary share my concern regarding these proposals, and agree that these agencies could not be expected to engage in activities which would be in any way advantageous to trade. From past experience they would in all probability be used as cover organisations for the furtherance of Communist penetration and subversive activity.
- 4. It has been agreed that the proposals should be rejected on whatever appears to be the most appropriate grounds, and I have informed the Governors of Hong Kong and Singapore accordingly. On the assumption that they agree, I am asking for their views regarding any economic grounds which might be given for refusing the requests. I should be grateful for your observations.

## SECRET AND GUARD

### Saving

From the Secretary of State for the Colonies.

To Ge Officer Administering the Government of SINGAPORE

Date 28 November, 1956.

No. 1426 Saving SECRET AND GUARI

My secret and guard savingram No.1306 of the 26th October.

Establishment of USSR Trade Agencies in Hong Kong and Singapore.

The President of the Board of Trade and the Foreign Secretary share my concern regarding the Russian proposals for establishing branches of state trading agencies in Hong Kong and Singapore, and agree that neither could be expected to engage in activities which would be in any way advantageous to trade. From past experience, they would in all probability be used as cover organisations for the furtherance of Communist penetration and subversive activity.

- 2. It has been agreed that the proposals should be rejected on whatever appears to be the most appropriate grounds and, on the assumption that you concur, I should be grateful for your observations on the Economic grounds for refusing the request.
- 3. It is also proposed that the Czech application should be rejected.
- 4. I have written similarly to the Governor of Hong Kong, and the High Commissioner for the Federation of Malaya has been informed.

SECER.

Colonial Secretariat IM 406/56

### SAVINGRAM

H504

To the Secretary of State for the Colonies.

From the Governor, Hong Kong.

Date 14 November, 1956.

No. 1919

1SD 116/61/01

SECRET AND GUARD

101

Your Savingram No. 1786 Secret and Guard of ctober 26th.

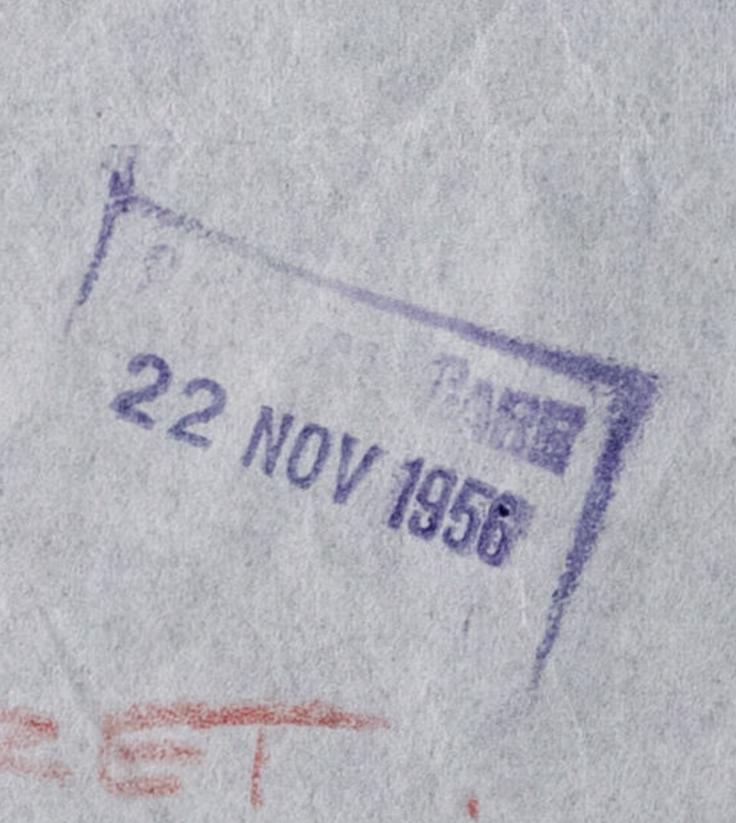
Proposed establishment of Soviet Trade Agencies in Hong Kong.

1A7

It should be easy enough to turn down the request of the Soviet Government on economic grounds. In the last two years imports from the U.S.S.R. have been below HK\$3,000,000 and they have mainly consisted of crude animal products for medicine and perfumery. Exports to the U.S.S.R. are nil. In our pre-war statistics trade with the Soviet Union was so small that it was not listed separately but grouped under "all other countries"; in 1938 imports of foodstuffs and provisions from "all other countries" including the Soviet Union, totalled only HK\$266,000, so that if Russian grain was coming them, it can only have been in very small quantities.

0

RTDL/rbh



From the President

220CT 1956

BOARD OF TRADE, HORSE GUARDS AVENUE, WHITEHALL, S.W.1.

22nd October, 1956.

FAR EASTERN 24 OCT 1956 REGISTRY SECTION

TRAfalgar 8855

Thank you for your letter of 28th September expressing concern at the proposals from the Russians for establishing branches of state trading agencies in Hong Kong and Singapore, and about the office in Singapore which has also been applied for by the Czechs.

You are quite right in your understanding that Mr. Kamensky saw fit for some reason to address his two requests on behalf of the U.S.S.R. to me personally. It seems clear, however, that none of these branches could be expected to engage in activities which would be in any way advantageous to the export trade of the United Kingdom. (Indeed, the Singapore agencies might well operate to the disadvantage of our own shipping and merchanting interests, by making it easier for the Soviet bloc countries to buy their rubber on the Singapore market and have it shipped in ships of their own flags.) In view, therefore, of your anxieties which I see are shared by Selwyn Lloyd - I agree that we should reject these proposals. I would only suggest that, before we do so, and perhaps before you refer these proposals to the Governments of Singapore and Malaya, we should wait to receive the Russians' reply to my Department's letter of 3rd September to Mr. Kamensky.

I am sending a copy of this letter to Selwyn Lloyd.

The Rt. Hon. Alan Lennox-Boyd, M.P. Oh ham whe

BOARD OF TRADE, HORSE GUARDS AVENUE WHITEHALL, S.W.T. dilitation of the second of the contract o

DED 226/61/01

From the Secretary of State for the Colonies. To the Covernor, Hong Kong. Iste 96 October 1986.

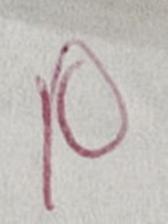
Your Search telegren No. 744.

Beteblishment of USSA Trede Agencies in Hong Kong and Mingapore.

Applications have been made to the Board of Trade for the Tra-antablishment by the Busaism Covernment of a broach of Teasojumnoje (bjediments Expert-Bileb, seemingly a grain trading agency, in Bong Tong, and of a Vaccojumnoje Cajediments
Farmo import agency in Singapore which seems to have to its object pareral trade, but perticularly trade in rubber.

- Interior has been the subject of correspondence between the Foreign Secretary, the Fresident of the Board of Trade, and agoolf, and it was the intention towrite to you are to the Covernor of Singapore when further details had been received from the Board of Trade, and this will be done.
- 3. In the meandale I should be greteful if you would consider what economic grounds could be given for refusing the request. At present it is not intended to agree to the ostablishment of these agencies.
- t. I have written minibally to the Covernor, Singepore.

BEICHE.



#### SAVINGRAM

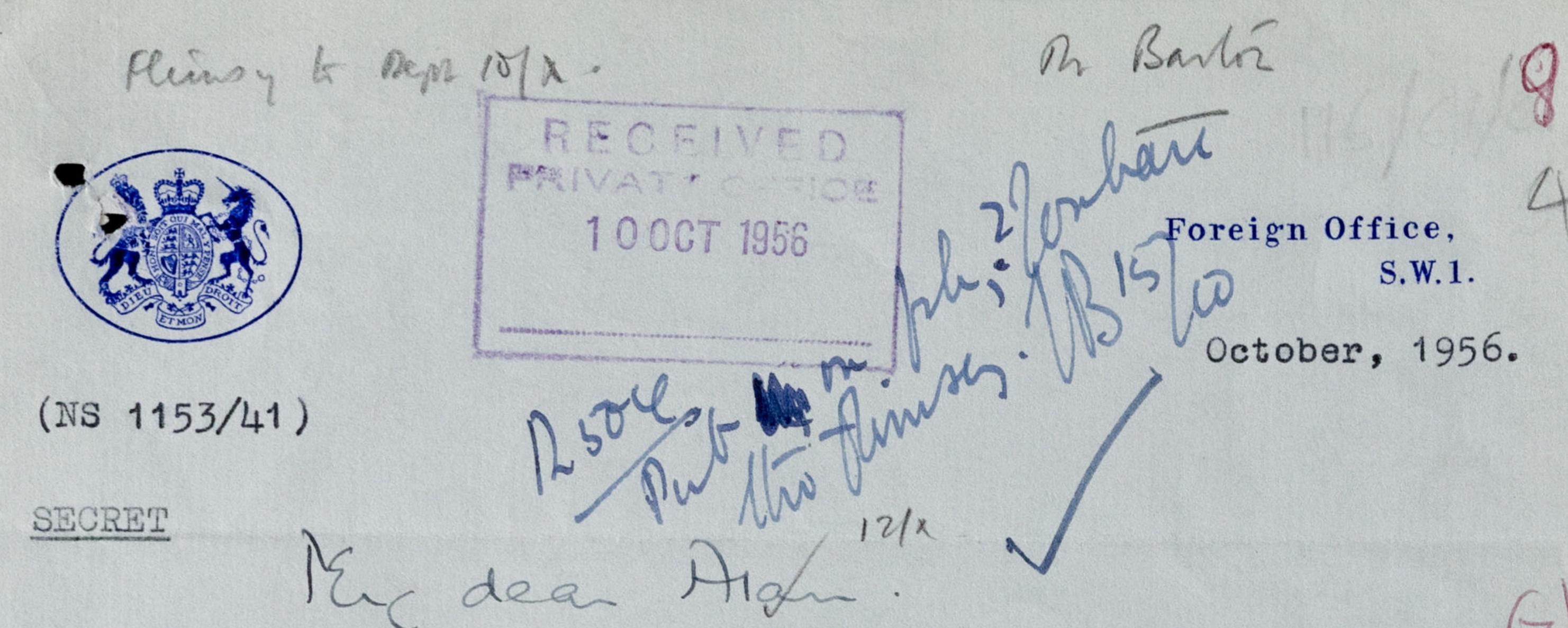


From the Secretary of State for the Colonies. To the Governor, Singapore. Date 26. October 1956.
No. 1306 SECRET & GUARD

Establishment of USSR Trade Agencies in Hong Kong and Singapore.

FED 421-632-01 Applications have been made to the Board of Trade for the FED 421-638-01 "re-establishment" by the Russian Government of a branch of Vsesojuznoje Objedinenie Export-Khleb, seemingly a grain trading agency, in Hong Kong, and of a Vsesojuznoje Objedinenie Razno import agency in Singapore, which seems to have as its object general trade, but particularly trade in rubber.

- 2. This has been the subject of correspondence between the Foreign Secretary, the President of the Board of Trade, and myself, and it was the intention to write to you and to the Governor of Hong Kong when further details had been received from the Board of Trade, and this will be done.
  - 3. In the meanwhile I should be grateful if you would consider what economic grounds could be given for refusing the request. At present it is not intended to agree to the establishment of these agencies.
  - 4. The Czechoslovak Embassy has also approached the Board of Trade in the matter of a long term visa for a Mr. L. Chmelik as the trade representative of their Foreign Trade Corporation Chemapol. I should be glad of your observations.
  - 5. I have written similarly to the Governor of Hong Kong.



In Selwyn Lloyd's absence I have received his copy of your letter of September 28 to Peter Thorneycroft about the Soviet proposal to establish Commercial Offices in Hong Kong and Singapore.

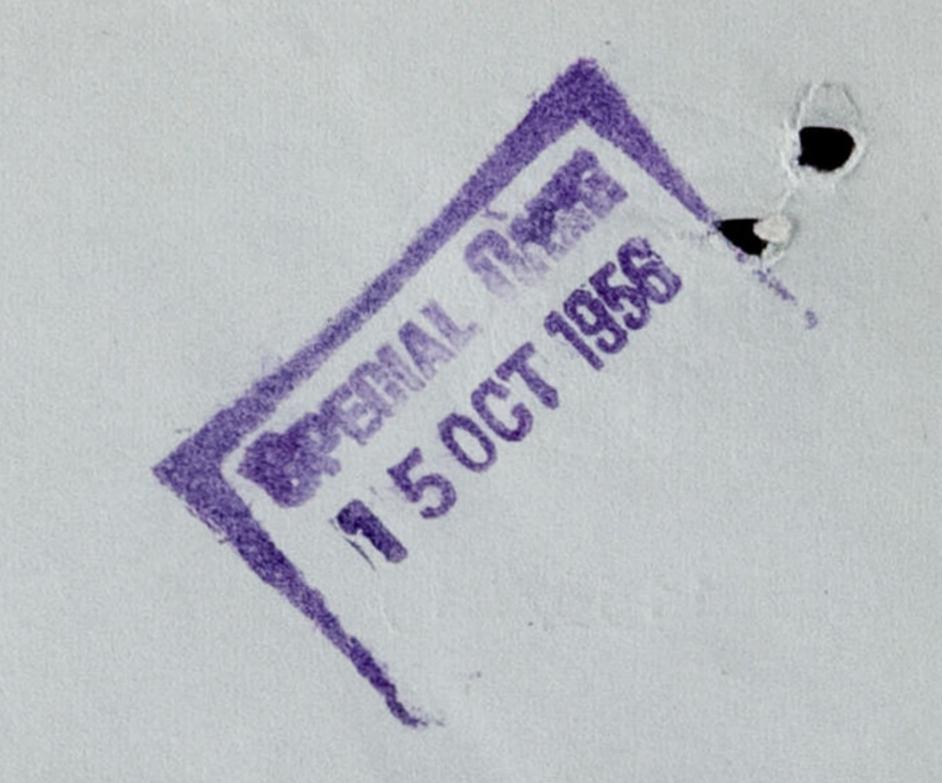
You can rest assured that we at the Foreign Office fully share your anxiety about the extension of Communist influence in Colonial territories and do not therefore favour this particular proposal. We know only too well from much experience that Soviet trade missions, like their political-diplomatic missions, are regularly used for espionage and subversion; and if these particular trade missions were established, they would certainly be used as cover for activities of this kind. As we have already told your Department, we do not think that the Anglo-Soviet statement of April last gives the Soviet Government any right to establish themselves in the Colonial Empire.

I note that the Board of Trade wrote to Kamensky on September 3 asking for more information about the Soviet proposal for Singapore. Maybe the correspondence with Kamensky and the Governments of Hong Kong, Malaya and Singapore will provide sufficient grounds for us to refuse the Soviet request on plausible economic grounds. But in the last resort I think we may simply have to tell the Soviet Government that we are not prepared to have them in the territories concerned, just as they would turn us down if we sought to establish trade missions for timber purchases in Siberia.

I am sending a copy of this letter to Peter Thorneycroft.

In ere

The Rt. Hon. A.T. Lennox-Boyd, M.P., Colonial Office.



# INWARD TELEGRAM

## TO THE SECRETARY OF STATE FOR THE COLONIES

#### (O. A. G.) FROM HONG KONG

Cypher (0. T. P.) D. 8th October, 1956.

8th

11.15 hrs.

10007 1956

SECRET No. 744

Foreign Office Intelligence Telegram No. 164 paragraph 9 states that Soviet Authorities are seeking to establish commercial agents at Singapore and Hong Kong.

I should be grateful for details as nothing has been heard about such an approach here.

Mr. Kaulon

! This should now be dealt with ?

an your papers, to which you had

transferred the action.
2504. (C) Katshan box on which is a hote about hossian trade in Morea how with

SECRET

18th September, 1956.

Thave been seriously disturbed to see from the correspondence listed in the annex to this letter that there are proposals afoot for the Russians to establish a grain trading agency in Hong Kong and a general trading agency in Singapore, where the Czechs also wish to open a similar agency.

when the statement (Cmd. 9753) on the discussions with the Russians was issued in April, my Department took up the question with the Foreign Office of its possible effect on the Colonies, about which we felt a good deal of concern. We were assured in reply that, if the Russians attempted to use that White Paper as applicable to the Colonies, no difficulty would be seen in replying that they were merely trying to stretch it to cover areas and problems with which it was clearly not intended to deal and that H.M.G. were not prepared to enter into further discussions on the matter. In short, the White Paper refers only to the U.K. and the U.S.S.R.

For some time now it has become clear that the Communists have found our checks on their infiltration by "front organisations" into the Colonies effective, and it is as clear now that, while they will maintain pressure through those organisations,

/they

they intend to follow the subtler and probably more advantageous methods of penetration through the means of trade agencies and technical assistance, particularly in territories which are approaching independence.

It goes without saying that I view these proposals with the gravest concern, and I am also convinced that these trade agencies would, in effect, be spy centres; would eventually grow out of all proportions; and, incidentally, might cause additional difficulties in our relations with the Americans in regard to the Colonies concerned.

Hong Kong, Malaya and Singapore but, before doing so, I should be glad to have your own reactions, particularly as I understand that the Soviet proposals were made to you personally by Mr. Kamensky. If, as I expect, the Governors concerned agree that these proposals should be resisted, I hope that the Board of Trade and the Foreign Office will be able to stand up to the Russians and Czechs, and be prepared to sustain a refusal, on whatever appears to be the most appropriate grounds, to accord the facilities sought.

Selwyn Lloyd.

ALAN LENNOX-BOYD

(OPS/72/56)

SECRET

FOREIGN OFFICE, S.W. 1

August 1, 1956

Den Charles,

I am sorry not to have let you have a reply earlier to the question raised in your letter of June 28 (ISD 116/61/01) which we have examined with care and anxiety. As you know, we share your opinion about the vital importance of maintaining the defences of Colonial territories against Communist infiltration, and we are strongly opposed to anything which might weaken them.

- 2. From a purely legalist point of view an argument might be based on the statement on the Anglo-Soviet discussions of April 1956 and in particular on the annexed Declaration on contacts to the effect that since the correct description of "U.K. Citizens" is "Citizens of the U.K. and Colonies", the latter interpretation was intended wherever the former was used. But we do not attach weight to this, and the following arguments to the contrary seem more conclusive:-
  - (a) the title of the Declaration which refers quite clearly to the U.K. only;
  - (b) point 1 of the Declaration which can also refer only to the metropolitan territory, since its statement of what has happened in the past is demonstrably not true of the Colonies;
  - (c) Points 2 and 3 of the Declaration, which also refer to "the two countries" and "each country";
  - (d) Points 4 and 6 which are even more specific in referring to the U.K. only.
- 3. In short, if the Russians attempted to use this document in the way you fear, we do not think that we should find it difficult to reply firmly but in suitable terms that in our view they were merely trying to stretch it to cover areas and problems with which it clearly was not intended to deal, and that we were not prepared to enter into any further discussion of the matter.
- 4. I hope that this will give you sufficient to discourage entirely any attempts on your side to abuse the Declaration or Statement to enable Colonial students to increase contacts with the Soviet Union or the Satellites.
- 5. I am sending a copy of this letter to Brook.

INTEL. & SECURITY

3 - AUG 1956

SECTION

Esq., C.M.

ms Em Pardem (P. H. Dean)

C. Y. Carstairs, Esq., C.M.G., Colonial Office

Extract from Summary Records of Discussions during Visit to the United Kingdom of Messrs.Bulganin and Khrushchev April 18th to April 27th, 1956.

RECORD OF FIRST PLENARY MEETING, HELD AT No.10 DOWNING STREET, APRIL 19, 1956.

## Present:

Soviet Union.

Mr. Bulganin.

Mr. Khrushchev.

Mr. Mikhailov.

Mr. Kumykin.

Mr. Malik.

Mr. Troyanovski.

Mr. Erofeev.

United Kingdom.

Prime Minister.
The Lord Privy Seal.
The Foreign Secretary.

Sir I. Kirkpatrick.

Sir N. Brook.

Sir W. Hayter.

Mr. Hohler.

Mr. Brimelow.

# 1. Anglo-Soviet Relations.

The Prime Minister said that he would like to follow up what Mr. Khrushchev had been saying at lunch about relations between our two countries. It was perfectly true that our political systems were different. But there was no reason why this should prevent the improvement of relations between our two countries. That was what we wanted to achieve at this meeting. It was essential to bear certain differences in mind. The Soviet Union was a great land Power, probably the greatest in the world, great in wealth and resources. We were a scattered community with this country at its centre. We take some pride in the fact that during the past 50 years many countries which at one time have belonged to the British Empire had developed and achieved independence. We were trying to lead them all to self-government. Once they achieved self-government it would be for them to decide what they wanted - to remain in the Commonwealth or to leave it. That was what had been going on this year in Malaya, the Gold Coast and Nigeria. It was a continuing process. We felt that, if our relations with the Soviet Union were to be really good, we must know what was in each other's minds. We had to clear up mutual suspicions. We had to say frankly that sometimes we felt that the Soviet authorities were critical of what we were doing. We were always ready to explain our methods and purposes. We had nothing to hide. But if our friendship was to continue, it must have a basis of understanding. Mr. Bulganin and Mr. Khrushchev both expressed agreement.

The Prime Minister continued by saying that their agreement was very important. Mr. Khrushchev had said that people in the United Kingdom were very doubtful about the USSR. We for our part had thought that the Soviet leaders were unfriendly to us as regards developments in the colonial territories. If the Soviet leaders were only able to see things on the spot, they would see that what we were doing was beneficial for the development of all the colonial peoples of the world. That was why we British thought it would be a good thing if our peoples could develop cultural exchanges on both sides. It seemed to the Prime Minister that it might be a good thing if we could sign during this visit some declaration of our intention to develop these exchanges.

Mr. Bulganin said he would express his first thoughts. As regards the development of Colonial territories, he assumed that the Prime Minister's remarks had been prompted by the speeches made by the Soviet leaders in India.

The Prime Minister said that he had in mind not only these speeches but also the general policy of the Soviet Government.

Mr. Bulganin said that the Prime Minister had spoken effectively and that no exception could be taken to what he had said. As regards exchanges and contacts, the English were a practical people and probably had a draft up their sleeve. It might be possible to reach some agreement if the draft could be submitted for consideration.

It was agreed that on the Soviet side the discussion of the draft should be the responsibility of the Soviet Minister of Culture, Mr. Mikhailov, in consultation with the Head of the English Department of the Soviet Ministry of Foreign Affairs, Mr. Erofeev; and that on the British side the discussions should be handled by Mr. Nutting and the staff of the Foreign Office.

Mr. Khrushchev said that, as regards colonial policy, he thought that their position had been fully explained. A question of principle was at stake. It was not a question of friendship, but one of principle and they would not deviate from their principles. They would welcome it if the United Kingdom would continue to take steps to grant freedom to their former colonies. But on the question of principle they could not change their attitude. They asked us to love them as they were. Of course the Prime Ministerstill had in mind the sharply-worded statements which Mr. Khrushchev and Mr. Bulganin had made in India and Burma. Since India and Burma had previously been British possessions, it was natural that these remarks should have been interpreted as having been directed against the United Kingdom. But that was not so. Soviet criticisms were directed against colonialism as such. The statements which had been made did not reflect any desire on their part to quarrel with the United Kingdom or to cause unpleasantness. They were merely statements of principle. They wished to continue their friendship with Britain. But they would criticise any country which followed a policy of colonialism, which they believed to be wrong in principle. There was no need, Mr. Khrushchev continued, for him to repeat their basic criticisms of the colonial system. These criticisms were fully set out in the fundamental works which they used as their guide.

Mr. Bulganin said he thought that there was no need for any further discussion on this subject.

The Prime Minister said that he did not want to let go about the colonies. He wanted to explain a little more about the Commonwealth. It had no rules; it was a very loose association. The colonies would have the choice, as they grew up, of going out or staying in. This was something that had never happened before in the history of the world. We were proud of it, and that was what we wanted our friends to understand.

Mr. Khrushchev said that in that case he would like to add something. He must give the British their due. As the newspapers had been very critical about him, he must admit that he had said some sharp things. On the other hand, he recognised that the British had acted wisely and courageously in giving independence to these former colonies. There was no comparison between the way Britain and France acted. He would like to say that the leaders of the countries which he and Mr. Bulganin had visited had very good relations with the British Government. They had had no special talks on the subject with these leaders as they had not wanted to create bad feeling. They did, however, feel that the local leaders appreciated the policy of the British Government. Mr. Khrushchev contrasted this with Indo-China, where the French had fought for 8 years and, as a result, had lost all connection with the country. , In so far as they had any connection, it was rather with North Vietnam. Mr. Khrushchev then referred to North Africa and said that the Soviet Government were alarmed that the French might make the same mistake and things reach the same pitch. He believed that any advice on these matters would be superfluous as the Prime Minister understood them better than he did. The British could find a policy which favoured their interest and also those of the people of the country. He wanted the Prime Minister to understand that if they spoke critically of the colonial system, it was not from enmity towards Great Britain but because they believe all colonial rule should end.

The Foreign Secretary said that there was a view in this country that the new developments in the Soviet Union were only a change of tactics. The view was also held in certain quarters that the Soviet Union believed that the British Empire stood in its way and that the British Empire must therefore be destroyed and all traces of British interests must be removed from the areas where we had influence. This view was that the Soviets were working against us everywhere. In those matters of colonial policy, wherever they came up, the Soviet Union was always to the fore in working against us.

Mr. Khrushchev said that, speaking frankly, the impression had been created, not because the Russians wanted to put us at odds with them, but because the colonial system was by now so rotten that every waft of the wind rocked it.

The Foreign Secretary said that that sort of remark stood in the way of improvement of relations between the two

countries. The British people were intensely proud of the action we had taken in India and Pakistan and were now taking in, for example, the Gold Coast, Nigeria and the West Indian Federation. Khrushchev had just said that our action in India was wise and courageous; it was a pity he did not say that sort of thing publicly.

The Prime Minister said that he had noted with interest and pleasure the improved relations between Yugoslavia and the Soviet Union. He wanted to ask whether what had happened with the Soviet Union's relations with Yugoslavia would happen with her relations with the Satellite nations. He had seen that there had been changes of Ministers, for instance, in Bulgaria. Was this in accord with the new principle of the 20th Congress or was it an internal matter? Our friends knew that the situation in the Satellite countries was criticised here as not being in accordance with what was agreed at Yalta. That applied to political questions and to religious toleration. He wondered whether the improvement between Yugoslavia and the change in Bulgaria would be reflected in other countries.

Mr. Kruschev said that he believed they were agreed that, in the course of their discussions, they would not interfere in the affairs of other countries. There was a Bulgarian representative in London who should be competent to discuss these matters.

Mr. Bulganin said that the reply given by
Mr. Khrushchev was quite exhaustive. It was not a new question.
An attempt had been made to raise it at Geneva. The term
"Satellite" was used. This was quite unacceptable and insulting for those countries.

The Lord Privy Seal said that there was a feeling that some of these countries were under the sway of the Soviet Union. Could Mr. Khrushchev give any explanation of their relationship, showing that they were quite independent.

Mr. Khrushchev said that there was no analogy between colonial questions and the Soviet Union's relations with these countries. These were based on equality and respect of national sovereignty. Since they had escaped from capitalist slavery later than the Soviet Union, the Russians felt compelled to help them economically.

# Document No.16. RECORD OF CONVERSATION BETWEEN SECRETARY OF STATE FOR COMMONWEALTH RELATIONS AND MR. KHRUSHCHEV ON APRIL 19, 1956. Until I had talked to Mr. Khrushchev on the subjections.

Until I had talked to Mr. Khrushchev on the subject of Colonies and Commonwealth I had no idea how completely closed and prejudiced the human mind can be.

- 2. In his opinion the interlude of British rule in India had been a disaster and warped the natural development of the Indian civilisation. Only now were they beginning to recover.
- J. The only deviation which he allowed himself when pressed was that the white dominions were good advertisements for democracy based on elected parliamentary institutions but direct rule such as we exercised in our Colonies was in Russian eyes inexcusable. The discussion of Colonial and Commonwealth matters could do nothing to bring our two countries closer together.
- 4. I said the situation between India and Pakistan over
  Kashmir was one of real difficulty and I wondered how it was
  that Mr. Khrushchev had felt able to come down so confidently
  on the side of India? We had been scrupulously careful
  to be impartial as the United Nations had made certain
  proposals for settlement which involved a decision by the
  people of Kashmir as to which country they wished to join.
  A direct settlement by negotiation or a settlement in
  accordance with a United Nations ruling seemed the best way out.
- 5. Mr. Khrushchev said that the reasons he had come down in favour of India were:-
  - (1) Disputed frontiers were a danger to peace and the best chance of peace was firmly to stick to the existing line.
  - (2) India had done a lot of good work in Kashmir and was popular with the local government and people, and all seemed to be going well.
- 6. I asked whether if that was so he didn't think that the opportunity was favourable for a plebiscite so that the will of the people of Kashmir could be ascertained beyond doubt? Until that was known there was unlikely to be agreement.
- 7. After a long pause he said: "We supported India's claim but we would not be opposed to any compromise proposals which India and Pakistan might be able to work out for themselves."
- 8. It is just conceivable that this might indicate that Russia has left herself a little flexibility in the Security Council but they have gone so far that I doubt if second thoughts will prevail.
- 9. Earlier I had asked the Minister of Culture (Mr. Mikhailov) what he thought of the great social and political experiments in giving self-government to former Colonies. He said: "Mr. Khrushchev pronounces on Colonial affairs and I cannot add anything"!
- 10. When Khrushchev talked of the qualities of Scotch whisky and the qualities needed to be a politician he was affable and humorous but the whole was a most depressing experience.

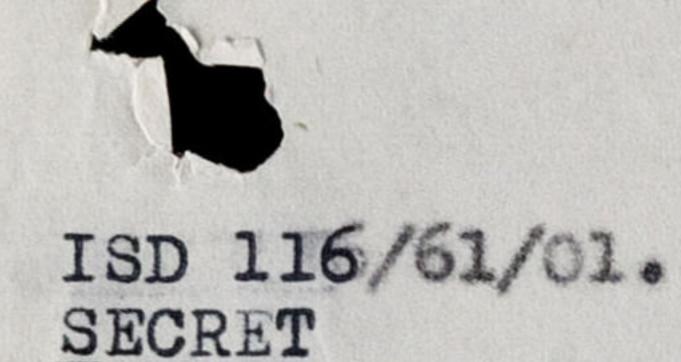
  20th April, 1956.

MAIN POINTS FROM CONVERSATION BETWEEN THE PRIME MINISTER AND MR. KHRUSHCHEV AT LUNCH AT CHEQUERS, APRIL 22, 1956.

# 4. Colonialism.

The Prime Minister expressed regret that he had so far been unable to convince Mr. Khrushchev of the realities of the Commonwealth and our colonial policy and particularly of its positive features. We were genuinely granting independence to our colonial territories but this question was far from being a simple one. Former colonies were free to leave the Commonwealth if they wished. Her Majesty's Government did not issue orders to members of the Commonwealth who enjoyed a position of equality. The Queen was the uniting link and she stood in varying relationship to the various members.

Mr. Khrushchev made no attempt to deny the facts as stated by the Prime Minister, took a fairly reasonable view of colonial practice and admitted that the remarks about the position of The Queen were new to him. He said that his statements in the Far East had not been disparaging to the British Commonwealth but had been directed against the colonial principle. The Soviet Government would remain firmly opposed to colonialism in principle. He added that the British had a great talent for adjusting themselves realistically to changing situations.

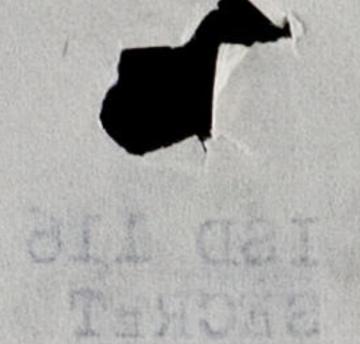


28th June, 1956.

We have been looking at the Statement on the Anglo-Soviet Discussions (Cmd.9753) and more particularly the Joint Declaration in the Appendix on the further development of cultural and other contacts.

On the face of it, the Declaration is concerned with contacts between the citizens of the United Kingdom and citizens of the Soviet Union; but it is apparent that it could be interpreted as implicating also the Colonial Territories "administered" by Her Majesty's Government, and sharing a common legal citizenship with the United Kingdom. This could be a matter of serious concern to us and potential embarrassment to Colonial Governments, in view of current policies for countering in every way possible the apresd of communist influence in the Colonies. Those policies, which have been built up with the full endorsement of our Secretary of State, run counter in many respects to the principle endorsed in the Declaration of freely meeting together and exchanging visits and ideas. Two facets of present policy in particular will serve to illustrate this conflict. First, virtually all Colonial territories have legislation under which action may be taken as necessary to prohibit the importation and circulation in the Territories of publications which are concerned with the exposition, whether overt or otherwise, of communist doctrine and achievements and thereby deemed to be contrary to the public interest; in some Colonies action has been taken, at the instigation of the Secretary of State, to proscribe wholly the published output of certain well-known communist front organisations such as the W.F.T.U., W.F.D.Y. and the Information Bureau of the Communist Workers Parties (Cominform).

Secondly, it is the practice in many territories to withhold passport facilities from Colonial Students and



others wishing to travel behind the Iron Curtain for communist purposes or to attend "front" conferences, and generally to do everything possible to prevent individual contacts between the Colonial peoples and those concerned with spreading communist doctrine. The Declaration poses a particular problem in dealing with Colonial students in the United Kingdom itself. We are indeed already at some disadvantage in this matter because the United Kingdom passport control does not enable us to take so strict a line with these students as their own Governments might be prepared to do were they in their own Territory. If visits by student bodies to Russia are, in fact, to be encouraged and aponsored under the Delcaration, it will be practically impossible to exclude from such parties Colonial students attending United Kingdom institutions.

The Declaration could clearly be used by the Russians as a basis of protest against legislation and administrative action of the kind which I have described, and it is easy to see how the whole policy might be called in question. Even if they do not do so, the endorsement of the Declaration by Her Majesty's Government in the United Kingdom provides good ammunition for those in the Colonial Territories who have an interest in the repeal of "repressive" measures which Colonial Governments have considered it necessary to adopt; and may make it more difficult than it is at present to carry local Ministers and politicians with us in carrying out such measures.

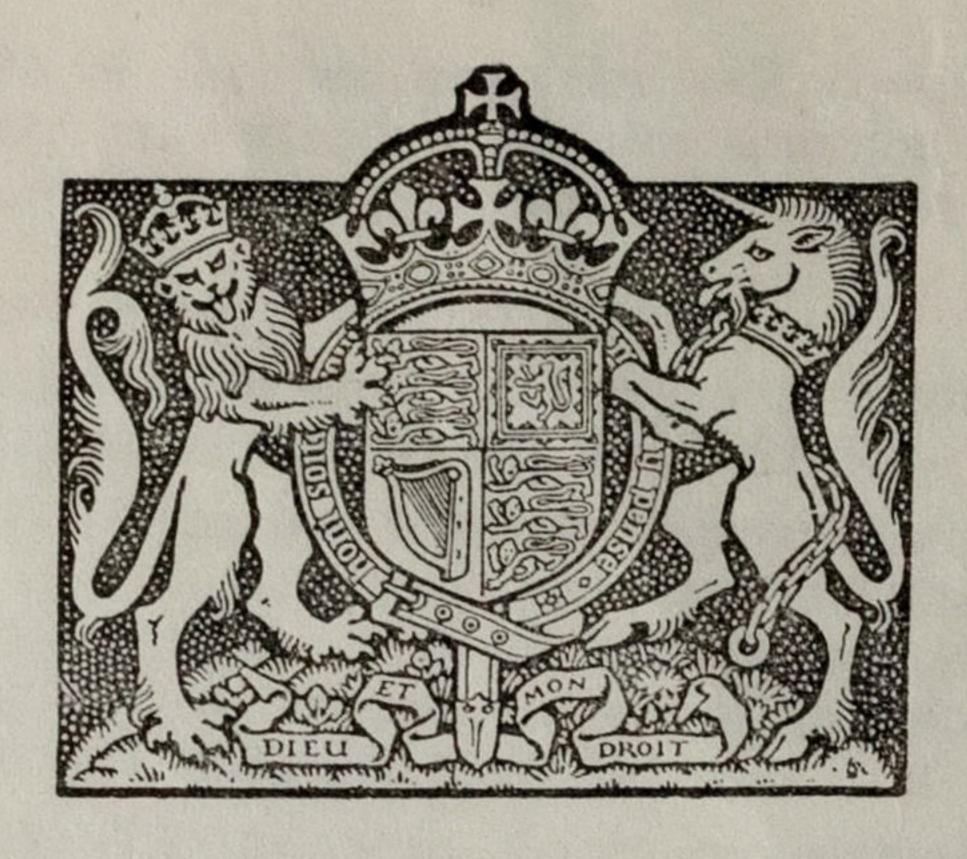
It is hardly necessary for me to stress the vital importance of maintaining such defences against communist infilitration in the Colonial Territories as we think it justifiable and feasible to maintain; and for this reason, and because of the impossibility of applying in those Territories the same kind of considerations which are valid for the United Kingdom, we feel that present policies on the Colonial fronts ought to be maintained, notwithstanding any difficulties that may arise as a result of the Declaration or embarrassment that may be caused by

any attempt by the communist bloc to apply the Declaration in the Colonial context.

I should be glad to have your views on this.

I am sending a copy of this letter to Brook, in case, in view of its implications regarding countering subversion in the Colonies, he might wish to circulate it to the Committee.

(C.Y. Carstairs.)



Soviet Union No. 1 (1956)

# Statement

on the Discussions of the Prime Minister of the United Kingdom, Sir Anthony Eden, with the Chairman of the Council of Ministers of the Union of Soviet Socialist Republics, Mr. N. A. Bulganin, and Member of the Praesidium of the Supreme Soviet of the Union of Soviet Socialist Republics, Mr. N. S. Khrushchev.

London, April 12-27, 1956

[With Joint Declaration on the Development of Contacts]

Presented by the Prime Minister to Parliament by Command of Her Majesty April 1956

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### STATEMENT

On the Discussions of the Prime Minister of the United Kingdom, Sir Anthony Eden, with the Chairman of the Council of Ministers of the Union of Soviet Socialist Republics, Mr. N. A. Bulganin, and Member of the Praesidium of the Supreme Soviet of the Union of Soviet Socialist Republics, Mr. N. S. Khrushchev.

From 18th to 27th April, 1956, Mr. Bulganin, the Chairman of the Council of Ministers of the U.S.S.R., and Mr. Khrushchev, Member of the Praesidium of the Supreme Soviet of the U.S.S.R., visited the United Kingdom at the invitation of Her Majesty's Government. During their stay they held a series of conversations with the Prime Minister of the United Kingdom, Sir Anthony Eden, the Lord Privy Seal, Mr. R. A. Butler, the Foreign Secretary, Mr. Selwyn Lloyd, and other members of Her Majesty's Government on Anglo-Soviet relations as well as on the international situation as a whole. These talks have been conducted, on both sides, in a spirit of candour and realism. They have ranged over most of the international questions of current concern, and there has been a full and useful exchange of views.

The representatives of the United Kingdom and the Soviet Union recognised that the strengthening of Anglo-Soviet relations in political, trade, scientific, cultural and other fields would be in the interests of the peoples of both countries. They were also convinced that this would help to consolidate general peace and security.

They expressed the determination of their Governments to work for a further relaxation of international tension. Having in view the present situation where there is not the necessary confidence between countries, they expressed their determination to take all possible measures to facilitate the strengthening of mutual confidence and the improvement of the relations between States. They recognise that one of the important factors in strengthening international confidence consists in personal contacts between leading statesmen, which have produced positive results.

The two countries, in their relations with each other and also in their relations with other countries, will be guided by the principles of the United Nations. They are convinced that the basis of friendly co-operation and peaceful co-existence of all countries, irrespective of their social systems, is respect for national independence and sovereignty, territorial integrity, and non-interference in the internal affairs of others.

They will do their utmost to put an end to the armaments race in all parts of the world, and thus to free the peoples of the world from the threat of a new war.

The representatives of both countries attached particular importance to maintaining security in Europe, being convinced that peace and security in Europe are of determining importance in preserving the peace of the world. But an understanding on the means to achieve that end was not reached.

As regards the other unsettled international problems, including those of Europe and Asia, on which an exchange of views has taken place, both parties will strive to promote a solution in the interests of consolidating general peace.

The representatives of the United Kingdom and the Soviet Union have come to the following conclusions with regard to certain individual problems which have been under consideration.

## Near and Middle East

The United Kingdom and the Soviet Union have the firm intention to do everything in their power to facilitate the maintenance of peace and security in the Near and Middle East. For this purpose they will give the necessary support to the United Nations in its endeavour to strengthen peace in the region of Palestine and to carry out the appropriate decisions of the Security Council.

The Governments of the two countries consider that effective measures should be undertaken in the immediate future to this end in accordance with the national aspirations of the peoples concerned, with the necessity of ensuring their independence and in full conformity with the principles expressed in the Charter of the United Nations(1).

The Governments of the two countries call on the States concerned to take measures to prevent the increase of tension in the area of the demarcation line established in accordance with the relevant armistice agreement between Israel and the Arab States.

They will also support the United Nations in an initiative to secure a peaceful settlement on a mutually acceptable basis of the dispute between the Arab States and Israel.

They recognise the importance of the problem of the refugees and accordingly will support action of the United Nations directed towards the alleviation of their hardships.

The Governments of the two countries express the strong hope that other States will also do everything possible to help the United Nations in bringing about a peaceful solution of the dispute between the Arab States and Israel and thus to strengthen peace and security in the Near and Middle East.

# The Problem of Disarmament

In the course of the exchange of views the Disarmament problem was discussed. The representatives of the two countries reviewed the position reached in the discussions in the United Nations and the proposals made by the Powers concerned. It was agreed that a solution of this problem would be of the utmost significance for the maintenance of universal peace.

The Government of the United Kingdom and the Government of the Soviet Union attach great importance to concluding an appropriate international agreement on this problem. Such an agreement would help to reduce international tension, to increase confidence between States and to relieve the burden of military expenditures.

The two Governments agreed on the paramount importance of saving humanity from the threat of nuclear warfare. Their common objective remains the ultimate prohibition of nuclear weapons and the devotion of nuclear energy exclusively to peaceful uses and they will continue their efforts to achieve this aim.

The Governments of the United Kingdom and the Soviet Union recognise the necessity of reaching an agreement to start without delay upon practical measures for a substantial reduction under appropriate international control of the armed forces of States (with corresponding reductions in their armaments) beginning with reductions by the five great Powers.

(1) "Treaty Series No. 67 (1946)," Cmd. 7015.

## Development of Anglo-Soviet Trade Relations

Questions were also considered relating to a further development of trade between the United Kingdom and the U.S.S.R.

The representatives of the two countries agreed that the development of trade between the United Kingdom and the U.S.S.R. could make an important contribution to closer relations between the two countries. This would serve to promote a more rational use of production possibilities in each of them, and would stimulate trade between East and West.

In the course of the discussions the Soviet representatives stated that the Soviet Government were willing to extend trade with the United Kingdom considerably. The British representatives also stated their desire to see an extension of this trade.

The Soviet representatives stated that the Soviet Union could in the coming five years between 1956-60, if there were no trade restrictions or discrimination, increase purchases in the United Kingdom to as much as approximately 9-11 billion roubles, i.e. £800-1,000 millions, including the placing of orders for various equipment and ships for some 4-5 billion roubles and the purchase of a wide range of industrial goods and raw materials for 5-6 billion roubles. A comprehensive list of machinery, equipment and ships which could be ordered by the Soviet organisations from the United Kingdom was handed to the United Kingdom representatives.

The representatives of the United Kingdom pointed out that a part of this list was covered by existing strategic controls. Nevertheless, a substantial part of the goods and raw materials on the list was free of restriction, and accordingly there was scope for an increase in trade.

The representatives of the Soviet Government pointed out that the increase envisaged in Soviet orders in the United Kingdom for machinery, equipment and ships as well as the increase in purchases of raw materials and industrial goods would make it necessary for them to increase their earnings of sterling by a corresponding development in their exports, and the representatives of the United Kingdom pointed out that the United Kingdom market was open to a wide range of Soviet exports.

The representatives of the two Governments agreed in the light of the foregoing considerations that the above-mentioned list should be studied further on the British side with the help of Soviet technical experts.

They also agreed to study further the matter of exchanging consumer goods and facilitating contact between buyers and sellers.

## Cultural and other Contacts

The representatives of the United Kingdom and the Soviet Union also discussed the problem of increasing cultural and other contacts. They adopted a joint declaration on this subject which is published separately as an Appendix.

Prime Minister of the United Kingdom,

Chairman of the Council of Ministers of the U.S.S.R.,

ANTHONY EDEN.

N. A. BULGANIN.

London.

April 26, 1956.

## APPENDIX

JOINT DECLARATION ON THE FURTHER DEVELOPMENT OF CONTACTS BETWEEN THE UNITED KINGDOM AND THE U.S.S.R.

The Heads of Government of the United Kingdom and the U.S.S.R. on the occasion of the visit of N. A. Bulganin and N. S. Khrushchev to the United Kingdom, after an exchange of views, have agreed upon the following:—

- 1. They have noted with satisfaction that certain results have been achieved in the relations between the two countries in respect of cultural, scientific and technical contacts. There have been governmental, municipal, scientific and cultural visits from each side, as well as visits by theatre companies, musicians and sports teams.
- 2. They consider it desirable that the Governments of the two countries should accord to the citizens of each country every assistance in acquainting themselves with the experience and achievements of the other in the fields of literature, painting and sculpture, the theatre, music, the cinema, broadcasting and television, as well as of science, technology, education and public health.
- 3. They favour the increase of all types of exchanges between artistic, technical, scientific and sporting organisations on a reciprocal basis, drawing on the best which each country has to offer, and the exchange of suitably qualified students to study at the universities in each country.
- 4. They wish to encourage the exchange of information between the principal academic, professional and scientific bodies in the United Kingdom and the Soviet Union, and to increase the exchange between the two countries of publications in the fields of science, technology and culture.
- 5. They look forward to an increase in individual and group visits of United Kingdom citizens to the Soviet Union and of Soviet citizens to the United Kingdom. Both Governments will afford all possible assistance in giving effect to these measures, in particular by creating more favourable economic conditions.
- 6. With a view to improving the mutual understanding which it is the object of these exchanges to promote, they agree to provide every opportunity to the peoples of the United Kingdom and the Soviet Union to learn about each other's opinions and ways of life. To that end they will take practical steps directed towards ensuring a freer exchange of information by the spoken and the written word.

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